



**2023 Memorandum of Incorporation of Prince's Grant
Homeowners Association NPC** Registration No. 1994/000721/08

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1 Adoption of this Memorandum of Incorporation

1.1 The company resolved by way of special resolution of the members passed at the Annual General Meeting on 29 October 2023 to amend its existing Memorandum of Incorporation.

1.2 This Amended Memorandum of Incorporation is a document unique to the company, as contemplated in section 13(1)(a)(ii) of the Companies Act.

2 Incorporation and nature of the company

2.1 The company is a non-profit company as defined in the Companies Act.

2.2 The company is also a "pre-existing company" as defined in paragraph (a)(i) of the definition of "company" in section 1 of the Companies Act. As such, the company continues to exist as a non-profit company as if it had been incorporated and registered in terms of the Companies Act (as provided for in item 2 of Schedule 5 to that Act).

2.3 The company is incorporated in accordance with and governed by –

2.3.1 The unalterable provisions of the Companies Act, subject to any higher standards, greater restrictions, longer periods of time or more onerous requirements set out in this Memorandum of Incorporation; and

2.3.2 The alterable provisions of the Companies Act, subject to any negation, restriction, limitation, qualification, extension or other alteration contemplated in an alterable provision and noted in this Memorandum of Incorporation; and

2.3.3 The provisions of this Memorandum of Incorporation.

3 Definitions

3.1 In this Memorandum of Incorporation -

3.1.1 A reference to a section by number refers to the corresponding section of the Companies Act; and

3.1.2 Words that are defined in the Companies Act bear the same meaning in this Memorandum as in that Act.

3.2 In this Memorandum of Incorporation, unless the context indicates otherwise,

- 3.2.1 **"auditors"** means the auditors of the company;
- 3.2.2 **"architect"** means an accredited architect or designer approved by the building committee as entitled to design buildings on the Estate as contemplated in paragraph 63.3.4;
- 3.2.3 **"body corporate"** means a body corporate which is established in respect of a sectional title scheme in the Estate the members of which are the owners of all of the sectional title units in the relevant scheme;
- 3.2.4 **"builder"** means an accredited builder approved by the building committee as entitled to construct buildings on the Estate as contemplated in paragraph 63.3.4;
- 3.2.5 **"building"** means any building situated on any erf or within any sectional title scheme;
- 3.2.6 **"building code"** means the rules setting out the architectural guidelines and building controls applicable to the Estate;
- 3.2.7 **"building committee"** means the committee appointed in terms of clause 63 to ensure compliance with the building code;
- 3.2.8 **"chairperson"** means the chairperson of the Board of Directors;
- 3.2.9 **"erf"** means a property in the Estate including a medium density property;
- 3.2.10 **"general manager"** means any person appointed by the board of directors as an employee to undertake the management of the Estate and the affairs of the company and designated as general manager.
- 3.2.11 **"commercial erf"** means an erf or registered subdivision of an erf which allows for commercial usage in terms of the town planning scheme;
- 3.2.12 **"the common property"** means all those areas that fall outside the residential erven, the commercial erven and sectional title schemes and medium density properties and includes all roads and the open space within the Estate;

- 3.2.13 **"the company"** means the Prince's Grant Homeowners Association NPC Registration No. 1994/000721/08;
- 3.2.14 **"dwelling"** means a self-contained, inter-leading group of rooms for a single family, with no more than one kitchen as provided for in the town planning scheme;
- 3.2.15 **"the Estate"** means the Prince's Grant Coastal Golf Estate which includes all the amenities built or to be built on the Estate;
- 3.2.16 **"ex officio director"** means a director who occupies the Board seat by virtue of holding a particular office or position in the company and shall have all the rights and obligations of a director, including the right and responsibility to vote on matters presented to the Board.
- 3.2.17 **"financial year"** means the financial year of the company which shall run from the first day of April in any year to the last day of March in the subsequent year;
- 3.2.18 **"the levy stabilisation fund"** means the fund established in terms of clause 60;
- 3.2.19 **"medium density property"** means an erf which is indicated as medium density in the town planning scheme, regardless of the method of ownership of that property;
- 3.2.20 **"member"** means a member of the company in terms of clause 7;
- 3.2.21 **"Municipality"** means the KwaDukuza Municipality or the iLembe District Municipality, as the case may be, which provide different services to the Estate;
- 3.2.22 **"the office"** means the registered office of the company;
- 3.2.23 **"the open space"** means those erven zoned as public open space;
- 3.2.24 **"the property"** means all the erven which form part of the Prince's Grant Township / Coastal Golf Estate;
- 3.2.25 **"the Prince's Grant Golf Club"** means the Prince's Grant Golf Club which operates from the golf course on the Estate;

- 3.2.26 **"residential erf"** means an erf or registered portion of an erf within the Estate which allows for residential usage (but excludes a medium density property);
- 3.2.27 **"the roads"** means the roads which have been constructed on the property;
- 3.2.28 **"sectional title unit"** means a dwelling unit within a sectional title scheme in the Estate the land ownership tenure of which is in terms of the Sectional Titles Act No. 95 of 1986, as amended;
- 3.2.29 **"share block"** means a share block in Prince's Grant Property Share Block Limited No. 91/03166/06 or its successor in title;
- 3.2.30 **"town planning scheme"** means the Prince's Grant Town Planning Scheme with scheme map 331/6, as amended;
- 3.2.31 **"unit"** means any commercial erf, residential erf, sectional title unit or share block within the Estate and, in relation to a medium density property, means each of the number of units proposed for that property in the town planning scheme, regardless of the number of units actually established and irrespective of the number of structures erected on that property;
- 3.2.32 **"VAT"** means value added tax at the ruling rate as defined in the Value Added Tax Act (No. 89 of 1991); and
- 3.2.33 **"vice-chairperson"** means the vice-chairperson of the Board of Directors.
- 3.2.34 Unless the context otherwise requires:
- 3.2.34.1 Words in the singular number shall include the plural and words in the plural number shall include the singular;
- 3.2.34.2 Words importing the masculine gender shall include the female gender; and
- 3.2.34.3 Words importing natural persons, shall include juristic persons, corporate entities and bodies corporate.
- 3.2.35 Whenever a number of days is prescribed in this Memorandum of Incorporation, the number of days must be calculated –

- 3.2.35.1 By excluding the first day and including the last day;
and
- 3.2.35.2 So as to include Saturdays, Sundays and public holidays unless the last day falls on a Saturday, Sunday or public holiday, in which case the last day shall be the next ensuing day which is not a Saturday, Sunday or public holiday.

4 Main object

4.1 The main object of the company is to manage, promote, advance and protect the communal interests, safety and welfare of the members of the company as owners of units on the Estate, and anything necessary or incidental to this object, including but not limited to:

- 4.1.1. management of the Estate;
- 4.1.2. ensuring acceptable aesthetic, landscaping and architectural standards; and
- 4.1.3. maintaining and administering all common property.

4.2 The Company—

- 4.2.1 Must apply all of its assets and income, however derived, to advance its main object; and
- 4.2.2 Subject to paragraph 4.1, may directly or indirectly, alone or with any other person, carry on any business, trade or undertaking consistent with or ancillary to its main object.

5 Powers of the company

In terms of section 19(1)(b) of the Companies Act a company has all the legal powers and capacity of a natural person except to the extent that a juristic person is incapable of exercising these powers and having these capacities and except to the extent that a company's Memorandum of Incorporation provides otherwise. This company's legal powers and capacity are not subject to any restrictions, limitations or qualifications as contemplated in section 19(1)(b), provided that this company must restrict itself to the main object set out in clause 4.

6 Alterations to this Memorandum of Incorporation

6.1 This Memorandum of Incorporation may be amended only by a special resolution adopted by the members or in terms of a court order.

6.2 No provision of this Memorandum of Incorporation requires that the amendment of a provision of this Memorandum is subject to any special requirements (i.e. requirements in addition to the requirements for amending a Memorandum as set out in section 16 of the Companies Act). Nor does any provision of this Memorandum of Incorporation prohibit the amendment of a provision of this Memorandum.

6.3 Amendments to this Memorandum of Incorporation may be proposed by –

6.3.1 The board of directors; or

6.3.2 Members entitled to exercise at least 25% of the voting rights on the resolution (see section 16 of the Act).

6.4 The board shall nevertheless have the power to alter this Memorandum of Incorporation to the extent necessary to correct patent errors in spelling, punctuation, reference, grammar or similar defects as envisaged in section 17(1) of the Companies Act. A notice of such alteration must be published by –

6.4.1 delivering a copy of the notice of alteration to each member by ordinary mail; or

6.4.2 delivering a copy of the notice of alteration to each member by email (provided that a member shall be deemed to have received a copy of the notice if sent to his or her last known email address).

7 Membership

7.1 The members of the company shall be:

7.1.1 Any person who is the registered owner of any unit on the Estate; and

7.1.2 Any person who is reflected in the share register of the Prince's Grant Property Share Block Limited as being the registered owner of a share block.

7.2 No person, other than a person referred to in this clause 7 shall be entitled to be a member of the company

8 Termination of membership

8.1 A member remains a member for as long as he or she is the registered owner of a unit on the Estate or is reflected in the share register of the Prince's Grant Property Share Block Limited as being the registered owner of a share block and may not resign or otherwise terminate membership.

8.2 Membership of the company shall also cease:

8.2.1 upon the issue of a final order of sequestration or liquidation of the member concerned; or

8.2.2 upon the death of a member, or upon the member being declared insane or incapable of managing his affairs.

8.3 In the event of a member ceasing to be a member in terms of clause 8.2 above, the member's executors, curators, trustees or liquidators shall, for all purposes, be recognised and be bound as the member under this Memorandum of Incorporation

8.4 A member does not have any claim to the funds or other property of the company when he or she ceases to be a member of the company. Nor shall any member's executors, curators, trustees or liquidators have such a claim.

8.5 The company may claim from any member or his estate any arrear levies, special levies, VAT, interest, legal fees or other sums due by him to the company at the time of his ceasing to be a member.

8.6 Levies, special levies, VAT, interest, legal fees and any other sums paid and/or due by a member shall not be repayable by the company to the member upon his ceasing to be a member.

8.7 A member's successor in title to a unit shall be liable to pay the levies, special levies, VAT, interest, legal fees or any other sums attributable to that unit as from the date upon which he becomes a member pursuant to the transfer of that unit.

9 Sale, transfer and alienation of units

9.1 A member shall not sell or otherwise agree to transfer or alienate a unit on the Estate (or an undivided share in a unit) unless it is a condition of the agreement of sale, transfer or alienation that:

9.1.1 The proposed transferee is obliged, to the satisfaction of the company, as a contract for the benefit of the company, to

become a member of the company upon registration of transfer of the unit to him; and

9.1.2 Registration of transfer of that unit into the name of the proposed transferee will automatically constitute the proposed transferee as a member of the company.

9.2 No member shall transfer or alienate a unit of which he is the registered owner unless the company has certified in writing that –

9.2.1 All levy contributions and other amounts owing by the member to the company have been paid prior to the transfer or alienation or that prior provision has been made to the satisfaction of the directors for payment at registration and the member is not otherwise in breach of any of the provisions of this Memorandum of Incorporation or of the house rules or any other applicable rules;

9.2.2 The contribution to the Levy Stabilisation Fund has been paid or that prior provision has been made to the satisfaction of the directors for payment upon registration;

9.2.3 The proposed transferee has made application and agreed in writing, to the satisfaction of the company, to become a member of the company and been accepted by the company for membership; and

9.2.4 The proposed transferee has notified the company in writing of his or her address and contact details as required in clause 83.

9.3 A condition of title has been registered against each unit in the Estate to give effect to clause 9.2.

9.4 The company shall be entitled to charge a reasonable administrative fee for its effort and cost in providing a certificate in terms of this clause as determined by the board of directors from time to time.

9.5 For the purposes of this Memorandum of Incorporation “alienate” means to alienate any unit or part thereof, and in no way detracting from the generality of the aforesaid, includes any transfer by way of sale, donation, intestacy, will, cession, mortgage, assignment, court order or insolvency, irrespective as to whether such alienation is voluntary or involuntary. In the case of an artificial person, such as a company, close corporation or trust, the material change in the “beneficial ownership”

or the “controlling interest” thereof, shall be deemed to constitute an alienation for the purposes of this Memorandum of Incorporation and, in the event of there being any dispute as to whether there has been a material change in “beneficial ownership” or in the “controlling interest”, such matter shall be referred to the auditors whose decision shall be final and binding.

10 Co-ownership of units and juristic persons as members

10.1 Where a unit or share block is owned by more than one registered owner, all the owners of that unit or share block shall together be deemed to be one member of the company.

10.2 The co-owners must –

10.2.1 nominate one of the co-owners as the duly authorised representative of the co-owners, to act on their behalf in relation to all matters pertaining to the co-owners' membership of the company; and

10.2.2 notify the company of the name and address of the contact person and service of notices by the company on the authorised representative shall be deemed to be service upon all of the co-owners; and

10.2.3 if the co-owners fail to nominate one of them as the duly authorised representative of the co-owners, the co-owner first named in the title deeds of the unit shall be recognised by the company as the duly authorised representative and service of notices by the company upon that co-owner shall be deemed to be service upon all of the co-owners.

10.3 If a member is a juristic person, the juristic person must, in a written format prescribed by the company from time to time, appoint 1 (one) natural person to be its duly authorised representative, to act on that member's behalf in relation to all matters pertaining to the member's membership of the company. The natural person so appointed must be a person that has a direct or indirect equity or beneficial interest in the juristic person. The instrument authorising such person to represent the member must be lodged with the company within 7 (seven) Days of the member becoming a member of the company. Should a member fail to furnish the company with the aforementioned information then:

10.3.1 the director/member first appearing on the records of the Commission for the respective company or close corporation at

the relevant time shall be deemed to be the duly authorised representative of such juristic person in the event of the juristic person being a company or close corporation;

10.3.2 the trustee of any trust whose name appears first on the relevant letters of authority or like document in the possession of the company shall be deemed to be the duly authorised representative of such juristic person in the event of such juristic person being a trust.

10.4 The member must notify the company of any change of the identity or contact details of its representative, within 3 (three) business days after any such change.

10.5 A member who is a juristic person must within 7 (seven) days after becoming a member, and within 7 (seven) days after any change in its registered members, directors, shareholders, trustees and/or beneficiaries or any change in its governance documents taking effect:

10.5.1 in the case of a close corporation, provide the company with a list of its registered members and their respective interests and/or amended founding statement or other governance documents, as the case may be;

10.5.2 in the case of a company, provide the company with a list of its directors and shareholders and the details of their shareholding and/or memorandum of incorporation or other governance documents, as the case may be;

10.5.3 in the case of a trust, provide the company with a list of its trustees and beneficiaries and/or amended deed of trust and/or letters of authority, as the case may be.

10.6 Where a member is a juristic person the shareholders, directors, trustees and/or members (as the case may be) of such legal entity (other than directors or trustees acting in a professional capacity as such) shall be personally liable, jointly and severally with such member, for the due performance by the member of all of its obligations in terms of this Memorandum of Incorporation and the House Rules referred to in clause 74.

10.7 A member which is a juristic person must notify the company in writing in the event of any material change in the 'beneficial ownership' or "controlling interest" in that juristic person, and shall be required to pay the amount specified in clause 60, calculated in proportion to the percentage change in ownership or control, upon such change, failing which interest shall accrue on the outstanding amount due from the

date of change in ownership or control to the date of payment, at a rate of interest equal to 3% (three percent) above the published prime rate of interest of the company's bankers time to time, which interest shall be calculated and compounded monthly in arrears.

11 Member's rights and obligations

11.1 The rights and obligations of a member are not transferable but may be ceded as security for a mortgage loan on that member's unit.

11.2 A member shall at all times further the objects and interests of the Company to the best of his ability and shall observe all the house rules and any other rules made by the Company and the directors from time to time.

12 Rights and the benefits of membership

12.1 A member who is in default of his obligation to pay any levies, special levies, VAT, interest, legal fees or any other sums due to the company, or who is in breach of any rule of the company or of this Memorandum of Incorporation –

12.1.1 Shall not be entitled to attend, speak or vote at any meeting of the company, or to hold office as director; and

12.1.2 Shall not be entitled to use the club house, the club house facilities, the dams or any other recreational facilities on the Estate (the member's guests, tenants and family members shall, likewise, be precluded from using these facilities).

12.2 Subject to clause 12.1.2 where a member has leased out his unit, the tenant (and the tenant's guests and family members) shall have the right to use of the club house, the club house facilities, the dams and any other recreational facilities on the Estate to the exclusion of the member for as long as the lease remains validly in place.

13 Members' meetings

13.1 The Companies Act provides when members' meetings must be held but allows a company's Memorandum of Incorporation to provide for additional members' meetings. As contemplated in section 61(2) of the Companies Act, the company is required, in addition to the members' meetings required in terms of the Companies

Act, to hold its annual general meeting within 6 months after the end of each financial year.

13.2 Other general meetings shall be called at the discretion of the directors (subject to the provisions of the Companies Act and of this Memorandum of Incorporation) and shall be called extraordinary general meetings.

14 Notice of members' meetings

The minimum number of days' notice which this company is required to give for a members' meeting is as follows:

14.1 An annual general meeting and a meeting called for the passing of a special resolution: 21 clear days' notice in writing; and

14.2 Any other extraordinary general meeting: 14 clear days' notice in writing.

15 Members right to requisition a meeting

The board of directors of the company must call a members' meeting if a demand is made by the holders of at least 10% of the voting rights entitled to be exercised in relation to the matter concerned (see section 61 of the Companies Act). [In order to propose an amendment to this Memorandum of Incorporation, members entitled to exercise at least 25% of the voting rights on the resolution must, in terms of paragraph 6.3, propose the amendment].

16 Venue of members' meetings

The authority of the company's board of directors to determine the location of any members' meetings, as set out in section 61(9) of the Companies Act, is limited or restricted as follows: members' meetings of this company must be held within the Estate or within a 10-kilometre radius of the Estate.

17 Quorum for members' meetings

17.1 A members meeting may not begin, and a particular matter shall not begin to be considered at a members meeting, unless a quorum is present. The quorum for a meeting to begin is as follows: sufficient people must be present to exercise at least 10% of all the voting rights.

17.2 If within thirty minutes after the appointed time for a meeting to begin, the quorum is not present, the meeting is adjourned, without motion, vote, or further notice, for one week, subject to clause 17.4.

17.3 If within thirty minutes after the appointed time for consideration of a particular matter the requirements for that matter to begin to be considered have not been satisfied –

17.3.1 If there is other business on the agenda of the meeting, consideration of that matter may be postponed to a later time in the meeting without any motion or vote; and

17.3.2 If there is no other business on the agenda of the meeting, the meeting is adjourned, without motion or vote, for one week.

17.4 The person intended to chair a meeting that cannot begin because a quorum is not present may extend the thirty-minute limit for a reasonable period on the grounds that –

17.4.1 Exceptional circumstances affecting weather, transportation or electronic communication have generally impeded or are generally impeding the ability of shareholders to be present at the meeting; or

17.4.2 One or more particular shareholders, having been delayed, have communicated an intention to attend the meeting, and those shareholders together with those already present would satisfy the quorum requirements.

17.5 The company shall not be required to give further notice of a meeting that has been postponed in terms of clauses 17.2 or 17.3, unless –

17.5.1 The location of the meeting is different from the location of the adjourned meeting or from the location as announced at the time of the adjournment; or

17.5.2 The starting time of the meeting is different from the starting time of the adjourned meeting or from the starting time as announced at the time of the adjournment.

17.6 If, at the time appointed for an adjourned meeting to resume the quorum requirements are again not met, the members present in person or by proxy will be deemed to constitute a quorum.

17.7 After a quorum has been established for a meeting, or for a matter to be considered at a meeting, the meeting may continue, or the matter may be considered, so long as at least one member with voting rights entitled to be exercised at the meeting, or on that matter, is present.

18 Agenda at annual general meetings

The following matters shall be dealt with at every annual general meeting:

18.1 The consideration of the chairperson's report (or should the chairperson so direct, the report of the General Manager);

18.2 The election of directors;

18.3 The consideration of any resolutions proposed for adoption by such meeting (including special resolutions), and the voting upon any such resolutions;

18.4 The consideration of the audited annual financial statements of the company for the financial year of the company preceding the date of such meeting;

18.5 The consideration of the report of the auditors;

18.6 The noting of the levy and budget for the financial year during which such annual general meeting takes place; and

18.7 The appointment of auditors and the fixing of their remuneration.

19 Procedure for proposing resolutions

19.1 Any two members of the company:

19.1.1 may propose a resolution concerning any matter in respect of which they are each entitled to exercise voting rights; and

19.1.2 when proposing a resolution, may require that the resolution be submitted to members for consideration

19.1.2.1 at a meeting demanded in terms of section 61(3);

19.1.2.2 at the next shareholders meeting; or

19.1.2.3 by vote in terms of clause 24.

19.2 No member shall propose a resolution for voting on at an annual general meeting or other general meeting, or raise a matter for discussion or consideration, unless written notice of the proposed resolution or matter has been given to the company in accordance with clause 19.1.

20 Proxies

20.1 A member may be represented at an annual general meeting or extraordinary general meeting by a proxy who need not be a member of the company.

20.2 The instrument appointing a proxy must be in writing, dated and signed by the member or his duly authorised agent, but need not be in any particular form. A proxy appointment remains valid for a period of one year from the date on which it was signed, unless it is revoked in writing or substituted by a later inconsistent appointment and a copy of the revocation instrument is delivered to the company.

20.3 Where a unit is owned by more than one registered owner, the proxy instrument must be signed by all of these owners. Where a unit is owned by a company, the proxy must be signed by a director of the company or by its secretary, and where a unit is owned by an association of persons, the proxy must be signed by a duly authorised representative of the association.

20.4 The instrument appointing a proxy and the power of attorney or other authority [if any] under which it is signed, or a notarially certified copy of these documents, must be deposited at the office of the company or with the chairperson of the meeting, before the commencement of the meeting at which the person named in such instrument purports to attend or vote pursuant thereto or in respect thereof.

20.5 A vote given in terms of an instrument of proxy shall be valid even if the principal has died or has revoked the proxy, provided that the company has not received any intimation in writing of the death or revocation before the time for the meeting to begin.

20.6 The right of a member of the company to appoint two or more persons concurrently as proxies, as set out in section 58(3)(a) of the Companies Act, is excluded.

20.7 The right of a member of the company to appoint more than one proxy to exercise voting rights attached to different securities, as set out in section 58(3)(a), is excluded.

20.8 The authority of a member's proxy to delegate the proxy's powers to another person subject to any restriction contained in the instrument appointing the proxy, as set out in section 58(3)(b) of the Companies Act, is excluded.

20.9 The authority of a member's proxy to exercise, or abstain from exercising, any voting right of the member without direction from the member (except to the extent

that the instrument appointing the proxy provides otherwise), as set out in section 58(7) of the Companies Act, is not limited or restricted by this Memorandum of Incorporation.

21 Electronic conduct and participation in members' meetings

21.1 Any members' meeting may be conducted entirely by electronic communication, or one or more members, or proxies of members may participate by electronic communication in all or part of any members' meeting that is being held in person, so long as the electronic communication being used ordinarily enables all persons participating in the meeting to communicate concurrently with each other and without an intermediary, and to participate reasonably effectively in the meeting.

21.2 Any notice of a members' meeting at which it will be possible for members to participate by way of electronic communication shall inform members of the ability to participate in this way and shall provide the necessary information to enable members or their proxies to access the available medium or means of electronic communication, provided that such access shall be at the expense of the member or proxy concerned.

22 Member's voting

22.1 Subject to clauses 22.2 and 22.4 each member of the company, present at an annual general meeting or extraordinary general meeting in person or by proxy, shall have one vote for each unit registered in his or her name.

22.2 The following restrictions apply to the voting rights of members:

22.2.1 A member who is in arrears with levies or any other sum owed to the company or who is in breach of any house rule of the company or of this Memorandum of Incorporation and has despite due notice failed to remedy that breach, as at the record date, may not vote, in person or by proxy, at any general meeting; and

22.2.2 If a unit is registered in the name of more than one person, then all such co-owners shall jointly have one vote.

22.3 Every resolution proposed for adoption by a general meeting, and every amendment of a resolution proposed for adoption by a general meeting, shall be –

22.3.1 Provided to the company in writing at least 72 hours before the agenda is printed and distributed; and

22.3.2 Seconded at the meeting and, if not so seconded, shall be deemed not to have been proposed.

22.4 At any meeting of the company a resolution put to the vote shall be decided on a show of hands, unless –

22.4.1 The chairperson of the meeting directs otherwise; or

22.4.2 A member demands a poll.

22.5 If voting is decided on a show of hands, then a declaration by the chairperson that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or defeated, and an entry in the minutes of the meeting recording this fact, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour or against the resolution.

22.6 A demand for a poll may be withdrawn.

22.7 If voting is to be decided by a poll, then voting shall be by way of a secret poll taken during the course of the meeting or alternatively in such other manner as the chairperson of the meeting may direct.

22.8 Voting on the election of a chairperson of a general meeting [if necessary] or on any question of adjournment, shall be decided on a show of hands by a majority of the members present in person or by proxy and entitled to vote.

22.9 The chairperson shall not have a second or casting vote at a general meeting.

23 **Members' resolutions**

23.1 For an ordinary resolution to be adopted at a members' meeting of this company, it must be supported by the holders of more than 50% of the voting rights exercised on the resolution at the meeting.

23.2 For a special resolution to be adopted at a members' meeting of this company, it must be supported by at least 75% of the voting rights exercised on the resolution at a members' meeting.

24 Round robin resolutions: shareholders and shareholders acting other than at a meeting

Notwithstanding the provisions of section 60 of the Companies Act an ordinary resolution in writing signed by the holders of more than 50% of the voting rights which may be exercised on the resolution and a special resolution in writing signed by the holders of at least 75% of the voting rights which may be exercised on the resolution, within 20 business days after the resolution was submitted to them, has the same effect as if it had been approved by voting at a meeting of members. The written resolution may be signed in counterparts. Any business required to be conducted at the company's annual general meeting may not be conducted in this manner. For the purposes of this clause "in writing signed" includes a resolution voted on electronically.

25 Member's right to information

Section 26(1) of the Companies Act gives every person who has a beneficial interest in a company's securities the right of access to the following information and documents: the company's Memorandum of Incorporation; any amendments to the Memorandum of Incorporation; the company's rules; certain records relating to directors; reports to annual meetings; the annual financial statements; notices and minutes of annual meetings and other members' meetings and the members' register. Section 26(3) provides that the Memorandum of Incorporation of a company may establish additional information rights for persons who have a beneficial interest in a company's securities.

26 Record date for exercise of members' rights

If at any time the company's board of directors fails to determine a record date, as contemplated in section 59(3) of the Companies Act, the record date for the relevant matter is as determined in accordance with section 59(3) of the Companies Act, namely –

26.1 In the case of a meeting, the latest date by which the company is required to give members notice of that meeting; and

26.2 In any other case, the date of the action or event.

27 **Composition of the Board of Directors**

The Board of Directors must comprise of not less than 4 and not more than 8 directors, appointed and elected as follows:

- 27.1 Not more than 5 directors elected by the members;
- 27.2 The golf captain of the Prince's Grant Golf Club, as an *ex officio* director;
- 27.3 The General Manager, as an *ex officio* director.

Provided that at least one third of the board members are elected each year as required in terms of Schedule 1, Item 5(1)(b) of the Companies Act.

28 **Term of office**

Subject to clause 27.1 the elected directors of this company serve for a period of two years but shall be eligible for re-election for a further period of two years. As a result, the maximum period of time that a director will be entitled to serve the company will be a total of four years, made up of an initial two-year period and a further two-year period on re-election.

29 **Nomination and Election of directors**

29.1 At least 30 (thirty) business days before the date on which each annual general meeting is scheduled to be held, the company shall send to each member written notice calling on the members to nominate persons for election as directors. This notice shall specify which directors are going to retire at the meeting and how many vacancies will be available on the Board of Directors.

29.2 The nominees for election as directors must comply with the requirements of clause 31.

29.3 The nominations must be submitted to the general manager in writing by the date specified in the notice calling for nominations, and must include:

- 29.3.1 the full name of the nominee;
- 29.3.2 the name and signature of the member nominating the nominee; and
- 29.3.3 the signature of the nominee, accepting the nomination.

29.4 The nominee must include a copy of his curriculum vitae and/or a brief manifesto regarding why the nominee should be elected as a director.

29.5 A nomination received by the company which does not meet the requirements set out in this clause 29, or in respect of a nominee who does not meet the eligibility requirements of the Companies Act and this Memorandum, shall be disregarded.

29.6 In the event that insufficient nominations are received to fill the available vacancies from amongst the categories of eligible nominees set out in clause 31.1, then the company shall call for further nominations from amongst the category of eligible nominees set out in clause 31.2, which nominations are to be delivered to the General Manager within such further time period as may be determined by the board of directors.

29.7 In the notice calling the annual general meeting, the board of directors shall publish the names of the nominees who have been nominated for election as directors, and any such other information from the nominee's curriculum vitae and manifesto which the board of directors may reasonably consider appropriate.

29.8 At the annual general meeting, the members will vote on each nominee separately, in the order in which their nominations were received by the company. Each member will be entitled to the number of votes equal to the number of vacancies to be filled.

30 Vacancies on the Board Co-opting of directors onto board

30.1 If a vacancy arises on the board, it must be filled by a new election conducted:

30.1.1 at the next annual general meeting of the company; or

30.1.2 in any other case, within 6 (six) months after the vacancy arose:

30.1.2.1 at a members' meeting called for the purpose of electing the director;
or

30.1.2.2 by a poll of the members entitled to exercise voting rights in an election of the director.

30.2 The provisions of clause 29 relating to the nomination and election of directors shall apply mutatis mutandis to the filling of any vacancy as provided for in clause 30.1.2.

30.3 If, as a result of retirement, resignation or otherwise, the total number of directors falls below the prescribed number, the board of directors shall act promptly to bring the number of directors up to the minimum number as specified in clause 27.

31 Qualification to act as a director

31.1 Subject to clause 31.2, a director must be a natural person who is a member, or spouse of a member, or co-owner of a unit or share block, with the exception of *ex officio* directors.

31.2 If insufficient nominations are received from amongst the categories of eligible persons referred in clause 31.1 above, any other suitably qualified independent, professional or non-professional, persons will be eligible for election provided that the board of directors shall in such circumstances be entitled to reject the nomination of any particular person who in their sole discretion does not possess the necessary skill or expertise to serve on the board of directors. Any person elected as a director from this category of eligible persons shall be referred to as an “independent director”.

32 Vacation of office as director

A director shall be deemed to have vacated his office if -

32.1 He commits an act of insolvency;

32.2 His estate is sequestered;

32.3 He is convicted for any offence involving dishonesty;

32.4 He becomes of unsound mind or is found to be lunatic;

32.5 He resigns from office in writing;

32.6 He dies;

32.7 He is removed from office in terms of the Companies Act; or

32.8 He is in default of his obligation to pay levies, VAT, interest, legal fees or any other sums due to the company and remains in default more than 30 days from the date the amount or amounts became due and payable to the company.

33 Electronic participation in directors' meetings

The authority of the directors to conduct a meeting entirely by electronic communication, or to provide for participation in a meeting by electronic

communication, as set out in section 73(3), is not limited or restricted by this Memorandum of Incorporation.

34 Notice of directors' meetings

34.1 The board of directors may determine the form in which notice of its meetings is given, as well as the time for giving notice.

34.2 The authority of this company's board of directors to proceed with a meeting despite a failure or defect in giving notice of the meeting, as set out in section 73(5)(a) of the Companies Act, is not limited or restricted by this Memorandum of Incorporation.

35 Director's right to requisition a meeting

The chairperson of the board of directors of the company must call a directors' meeting if a demand is made by two or more directors.

36 Quorum for directors' meetings

A directors' meeting may not begin unless a quorum is present. A majority of directors must be present in order to constitute a quorum.

37 Voting at directors' meetings

37.1 Each director of a company has one vote on a matter before the board of directors.

37.2 A resolution is approved if it is supported by a majority of the votes cast at a directors' meeting.

37.3 The chairperson of the board of directors has a second or casting vote at directors' meetings in event of a deadlock in voting by the directors.

38 Round robin resolutions: directors

Section 74 of the Companies Act provides that, except to the extent that a company's Memorandum of Incorporation provides otherwise, a decision of the board of directors of a company may be adopted by written consent of a majority of the directors (without a meeting being held) if each director has received notice of the matter to be decided. The authority of this company's

board of directors to consider a matter other than at a meeting, as set out in section 74, is not limited or restricted by this Memorandum of Incorporation.

39 Appointment of chairperson and vice-chairperson

The directors shall appoint from their number a chairperson and vice-chairperson at the first meeting after each annual general meeting.

40 Director's remuneration

40.1 A director shall be entitled to be repaid all reasonable and genuine expenses incurred by him or her in or about the performance of his or her duties as director, chairperson or vice-chairperson.

40.2 The directors shall be entitled to a fee for each meeting attended of R1000, or such other amount as may be approved by the members in a general meeting and such further reasonable remuneration for services rendered by any independent director in their capacity as a director of the company as may also be approved by the members.

41 Control of meetings

41.1 The chairperson presides at all meetings of the Board of Directors, and all general meetings of members, and shall perform all duties incidental to the office of chairperson and such other duties as may be prescribed by the Board of Directors.

41.2 If at any meeting of the directors the chairperson is not present within 5 minutes after the time appointed for the start of the meeting, then the vice-chairperson shall act as chairperson of that meeting and shall exercise all the powers and duties of the chairperson in relation to that meeting. If the vice-chairperson is also not present within 5 minutes after the time appointed for the start of the meeting, then those directors present shall appoint a chairperson for the meeting, who shall also exercise all the powers and duties of the chairperson in relation to that meeting.

42 Proceedings at meetings of directors

42.1 The directors may meet, adjourn and otherwise regulate their meetings as they deem fit, subject to any provisions of this Memorandum of Incorporation.

42.2 Meetings of the directors shall be held at least once every quarter. Minutes must be taken of every directors meeting, although not necessarily verbatim minutes. The minutes must be reduced to writing and shall then be certified correct by the chairperson of the next meeting. All minutes of directors' meetings shall, after certification, be placed in a directors' minute book to be kept in accordance with the requirements of the Companies Act.

42.3 All competent resolutions recorded in the minutes of any directors' meeting shall be valid and of full force and effect, with effect from the passing of such resolutions, and until varied or rescinded.

42.4 Except to the extent set out in this Memorandum of Incorporation, the proceedings at any directors' meeting shall be conducted in such reasonable manner and form, as the chairperson of the meeting shall decide.

43 Functions and powers of the Board of Directors

43.1 The authority of the board of directors to manage and direct the business and affairs of the company, as set out in section 66(1) of the Companies Act, is not limited or restricted by this Memorandum of Incorporation.

43.2 Without limiting the generality of clause 43.1, the directors may in their discretion, from time to time, for the purposes of the company borrow or raise such sum or sums of money from members of the company or from such other source as the directors may decide.

43.3 If at any time this company has only one director, the authority of that director to exercise any power or perform any function of the board of directors without notice or compliance with any other internal formalities, as set out in that section 57(3), is excluded.

43.4 Nothing prevents the board of directors from purchasing and taking transfer of a unit on the Estate and, other than in the case of common property, disposing of any such unit for the benefit of the company.

44 Professional advisors

The directors have the right to engage on behalf of the company, the services of accountants, auditors, attorneys, advocates, architects, engineers, any other professional person or firm and/or any other employees whatsoever for

any reason deemed necessary by the directors and on such terms as the directors shall decide, subject to any of the provisions of this Memorandum of Incorporation.

45 Indemnification of directors and officers

45.1 The authority of this company to advance expenses to a director or officer of the company to defend legal proceedings arising out of his service to the company, as set out in section 78(4) of the Companies Act, is limited, restricted or extended only to the following extent: if the director or officer is found to be liable for a breach of common law or statutory duty or is found guilty of a criminal offence, then the director or officer shall reimburse the company for these expenses within 30 days of the finding (regardless of whether or not the director or officer appeals the finding and provided that, if the finding is overturned on appeal, then the company shall reimburse the director or officer for expenses incurred in the initial proceedings and in the appeal).

45.2 The company must indemnify a director or officer, as set out in section 78(5) of the Companies Act, for expenses incurred in defending legal proceedings arising out of his service to the company if the legal proceedings are abandoned or the director or officer is not to be liable [a company may not indemnify a director or officer for wilful misconduct, wilful breach of trust or for liability arising in terms of sections 77(3)(a), (b) and (c) of the Companies Act].

45.3 The company must purchase insurance to protect the company, a director or an officer against any liability or expense for which the company is permitted to indemnify the director or officer, as set out in section 78(7) of the Companies Act.

46 Variation of decisions

The Board of Directors shall have the right to vary, cancel or modify any of its decisions and resolutions from time to time.

47 Appointment and authority of committees

47.1 The company's board of directors may appoint committees of directors and delegate to any such committee any of the authority of the board, as set out in section 72(1) of the Companies Act.

47.2 The authority of a committee appointed by this company's board of directors to consult with or receive advice from any person, and to exercise the full authority of

the board on matters referred to it, as set out in section 72(2)(b) and (c) of the Companies Act, is not limited or restricted by this Memorandum of Incorporation.

48 Composition of committees

The authority of the company's board of directors to include in any committee persons who are not directors, as set out in section 72(2)(a), is not limited or restricted by this Memorandum of Incorporation.

49 Finance committee

There shall be established a finance committee, which shall consist of–

49.1 3 persons appointed by the board of directors; and

49.2 The General Manager.

50 Budget

50.1 The finance committee must prepare a budget to meet the expenses and the capital expenditure of the company during each financial year. The budget must –

50.1.1 Specify any estimated deficiency which will result from the preceding financial year; and

50.1.2 The Capital budget must specify all items of expenditure including those subjects to clause 59 of the MOI. No unspent capital can be automatically carried forward but must be included as an item in the new year.

50.1.3 Include an amount to be held in reserve to meet anticipated future expenditure not of an annual nature.

50.2 The budget must be prepared and delivered to the members not less than 21 days before the end of each financial year (or as soon as reasonably possible thereafter). The budget must be accompanied by a notice specifying the levy payable by each member as a contribution to the expenses and reserve fund

50.3 If the finance committee fails for any reason to prepare the budget or to notify members of the levies, then every member shall (until the budget and levy notice has been issued) continue to pay the levy imposed in the previous financial year as an interim measure.

51 Levies

The finance committee shall, from time to time, but at least annually establish and maintain a levy fund for the purpose of meeting all the expenses which the company has incurred, or which the directors reasonably anticipate the company will incur (which may include a reasonable provision for contingencies) for the ensuing financial year, in the furtherance of the company's objects.

52 Purpose of levies

52.1 Levies are intended to cover costs incurred by the company in –

52.1.1 Maintaining, repairing and improving the roads, open spaces and services, the perimeter fence, the golf course, the club house, club house facilities and any buildings, structures, erections and other improvements on common property on the Estate;

52.1.2 Paying rates and other charges payable by the company in respect of the erven vested in the company and services provided to the company;

52.1.3 Paying the salaries and wages of employees; and

52.1.4 Paying all other expenses necessarily or reasonably incurred in connection with the management of the company, the Estate, and the company's affairs including any expenses reasonably or necessarily incurred in the attainment of the objects of the company or in the pursuit of its business.

52.2 Levies shall not cover the consumption of water and electricity, sewerage or the maintenance or improvements of the units. These expenses shall be for the account of the member.

53 Calculating levies

53.1 In calculating the levy, the finance committee must -

53.1.1 Take into account all expenses which the company has incurred, or which it reasonably might be anticipated will be incurred;

- 53.1.2 Take into account any units which have not yet been provided with all services;
 - 53.1.3 Make an adjustment for medium density properties, which adjustment is in the discretion of the committee; and
 - 53.1.4 Base the calculation on the Estate's residential erven and 9 commercial erven.
 - 53.1.5 Consider a residential and or commercial erf which is subsequently consolidated, as if such consolidation had not occurred and the constituent erven were standing on their own.
- 53.2 In calculating the levy, the finance committee must as far as reasonably practicable:
- 53.2.1 Assign those expenses arising directly out of or attributable to a unit itself to the member owning such unit;
 - 53.2.2 Assign those expenses relating to the Estate generally to the owners of all units equally; provided however that the finance committee may in any case where it considers it equitable so to do:
 - 53.2.2.1 Assign to any commercial erf a greater share of the expenses as it may consider reasonable in the circumstances;
 - 53.2.2.2 Assign to any member a greater or lesser share of the expenses as may be reasonable in the circumstances; and
 - 53.2.2.3 Assign to any member a greater or lesser proportion of the expense of maintaining entertainment and recreation areas and facilities, including those costs associated with the golf course, as it may consider reasonable in the circumstances.
- 53.3 If, in contravention of the town planning scheme, a unit contains more than one kitchen, and the board is satisfied that the unit is not being used for the purposes of a single family, then at the board's discretion and in addition to any other remedy which may be available to the board, the owner or owners of the unit shall be liable for double the monthly levy which would otherwise be payable in respect of that unit (the town planning scheme provides that a dwelling means a self-contained, inter-leading group of rooms, for a single family, including not more than one kitchen).

54 Additional services

54.1 The Board may, from time to time, resolve to supply additional services to the Estate, including (but not limited to) water and electrical reticulation, waste removal, telephone and Internet services.

54.2 If additional services are provided to the Estate by the company, as contemplated in paragraph 54.1, then the finance committee may (without limiting in any way its power to impose levies) add the cost of providing these services to the levies.

55 Payment of levies

55.1 The levy (save for special levies which are payable on such terms as the finance committee may determine) shall be an annual levy payable in twelve equal monthly instalments. The levy shall be subject to acceleration which means that upon a member falling into arrears the company will be entitled to seek recovery of the full balance of the annual levy which, in the finance committee's discretion, will then become due and payable to the company. All contributions levied in terms of this Memorandum of Incorporation shall be payable without deduction or demand monthly in advance on the first day of each and every month. Levies are exclusive of VAT (i.e. VAT is to be added, if applicable). Should a member cease to be a member then the member will only be liable for levies and other contributions due to the company until the date upon which membership ceases.

56 Interest on levies

Interest at 2% per month (or at such other rate as the finance committee may determine from time to time) shall accrue on levies not paid on due date.

57 Increase of levies

The finance committee shall be entitled to review the levies from time to time in its discretion.

58 Special levies

The finance committee may from time to time –

58.1 Make special levies upon the members in respect of any expenses of the company which were not included in the budget, or which were under-estimated in the budget;

58.2 Determine the terms of payment of the special levy; and

58.3 Determine that a special levy shall be payable exclusively by a specified class of levy payer (or determine that a special levy be allocated on a differential basis between classes of levy payer).

59 **Capital expenditure**

The finance committee shall not be entitled, without a resolution of members in general meeting, to undertake capital expenditure on any one item which exceeds or is likely to exceed R1 000 000. This amount shall be increased annually in accordance with the CPIX as published from time to time. This increase may not exceed five years without a resolution of members in a general meeting, the increase shall be applied cumulatively with the commencement date specified as 1 April 2021.

60 **Levy Stabilisation Fund**

60.1 A Levy Stabilisation Fund has been established for the purpose of generating funds for infrastructural improvements of a capital nature to the Estate. The Levy Stabilisation Fund may not be used for operating expenses.

60.2 The Levy Stabilisation Fund shall be managed by the board of directors.

60.3 The transferor of any unit on the Estate must contribute to the Levy Stabilisation Fund 1% of the purchase price (inclusive of VAT, if applicable) for any unit, including all the immovable structures erected on the unit.

60.4 Contributions to the Levy Stabilisation Fund shall be made on the date of registration of transfer from the funds of the seller. The conveyancer shall ensure that the contribution is made.

60.5 If a unit is transferred by way of a donation or inheritance, then the contribution to the Levy Stabilisation Fund shall be calculated at 1% of the fair market value of the unit, as determined by a valuer appointed by the company, for the cost of the seller.

61 **Accounts**

The notice of the annual general meeting shall be accompanied by audited financial statements for the past financial year.

62 **Application of optional provisions of the Companies Act (audit etc.)**

62.1 This company elects, in terms of section 34(2) of the Companies Act, to comply voluntarily with the enhanced accountability requirements of Chapter 3 of the Companies Act to the following extent: the financial statements of the company shall be audited once in every financial year.

62.2 This Company, in terms of section 34(2) of the Companies Act will have the financial statements audited once every year.

63 **Building committee**

63.1 A building committee has been established for the Estate. The building committee has adopted the building code, which applies to the Estate.

63.2 The building committee comprises –

63.2.1 Two architects appointed by the company;

63.2.2 Two directors of the company appointed by the board; and

63.2.3 The General Manager or his nominee.

63.3 The building committee must -

63.3.1 Consider and approve building plans on behalf of the Company in accordance with the building code;

63.3.2 Determine the position of each building to be built on the Estate, whether on common property or on a unit (the position of a building on a unit shall be determined in consultation with the owner, subject to the condition that the committee's discretion shall prevail in the event of any disagreement);

63.3.3 Impose height restrictions on buildings;

63.3.4 Approve on an annual basis a list of accredited architects, designers and builders entitled to do work on the Estate

(subject to the payment of an annual accreditation fee approved by the finance committee from time to time);

63.3.5 Ensure that all landscaping and gardening on the Estate takes place in accordance with the Estate's landscape philosophy including landscape and gardening standards, as contained within the building and/or landscaping code which are published from time to time;

63.3.6 Ensure that acceptable building standards are maintained throughout the Estate;

63.3.7 Impose such other rules as may be required to give effect to its powers and duties; and

63.3.8 Cause minutes to be recorded of all its decisions and cause them to be submitted to the board of directors for noting and recording purposes.

63.4 The building committee must approve all the architects, designers and builders employed within the Estate with a view to ensuring that buildings on the Estate are built to an acceptable standard.

63.5 The submission fee for building plans shall be as determined by the finance committee from time to time.

63.6 The building committee shall be entitled, from time to time, to recommend to the board additional rules or amendments to the building and/or landscaping code in order to ensure that an acceptable quality of building standards and aesthetics is maintained. Any additional rules or amendments shall be considered by the board and may be adopted as is, amended or rejected. These additional rules or amendments to the building and/or landscaping code will stand until ratified, by ordinary resolution, or set aside at the next annual general meeting.

64 Building plans and approved builders

64.1 Every building plan for a building on the Estate must be prepared, at the owner's expense, by an architect or designer who is accredited by the building committee and who appears on the list of approved architects and designers referred to in paragraph 63.3.4.

64.2 No building operations may be carried out –

64.2.1 Except in accordance with a plan approved by the building committee;

64.2.2 Except by a builder accredited by the building committee and who appears on the list of approved builders referred to in paragraph 63.3.4; and

64.2.3 Unless all applicable legislation and statutory regulations have been complied with, which shall include, but not be limited to approval of the building plans by the Municipality.

65 **Compliance with the building code**

65.1 Subject to the provisions of the building code, no member or body corporate may, without the prior written consent of the building committee:

65.1.1 change the colour of the exterior walls of any unit or building concerned, the colour of the exterior of the doors and window frames thereof, or any fixture or fitting excluding however door and window handles, locks, knockers and similar ornaments upon the exterior thereof;

65.1.2 replace any appurtenances, including but without limiting the generality of the foregoing, pergolas, blinds shutters, awnings or ornaments upon the exterior walls or surfaces of the building concerned, save only to renew such items as may initially have been so placed upon construction of the unit, with such items of the same nature and of similar appearance;

65.1.3 make any additions or extensions to the unit or buildings or erect any further buildings or structures or fences whether of a temporary or permanent nature;

65.1.4 remove any fixtures, fittings, doors, windows or demolish any portion of the exterior of any unit or building;

65.2 In the event of the destruction of any unit, and the owner thereof deciding to rebuild such unit, the plans for such rebuilding shall prior to such rebuilding taking place, be submitted to the company, for approval in accordance with the provisions of this Memorandum of Incorporation and the building code and to the Municipality and any other relevant authority for approval in accordance with applicable legislation and statutory regulations.

66 Powers of the building committee

66.1 The building committee may serve notice on any member whose unit is unsightly or injurious to the amenities of the surrounding area or the estate generally, to take such steps as may be specified in the notice to eliminate the unsightly or injurious condition.

66.2 If the member, or body corporate if applicable, fails to take the specified steps within 30 days of written notice, the General Manager shall be empowered to take those steps or cause such steps to be taken, and the board may recover the cost from the owner or body corporate if applicable.

66.3 The building committee must determine the routine maintenance requirements-

66.3.1 Of the exterior of each and every building within the common property on the Estate and instruct the General Manager to attend to such requirements from time to time;

66.3.2 Of all open spaces and roads on the estate, in accordance with the provisions of the building code; and

66.3.3 Of all other areas within the estate not covered by buildings whether held by the company or by members, either individually or in undivided shares.

67 Maintenance of services and common property

67.1 The maintenance of services and the common property shall be controlled by the General Manager on the instructions of the board of directors.

67.2 For purposes of exercising its functions, the building committee, any of its members and the General Manager or his nominee, shall be entitled to access to any unit and the surrounds thereof at all reasonable times.

68 Building period

68.1 Once a member begins building, building operations must be continuous and the building must be completed within 12 months from the date of commencement of construction.

68.2 If a member does not complete construction within the period referred to in clause 68.1, then the member shall be liable to pay in respect of a freehold property, triple the levy which would otherwise be payable in respect of the unit concerned (this penalty shall be known as "**the building period penalty**").

68.3 The building period penalty may be amended from time to time by special resolution of the members.

69 **Building deposit**

69.1 Before beginning to construct a building on a unit, a member must pay a deposit to the company as security for any damage which may be caused to the Estate, including but not limited to any landscaping required to reinstate any portion of the Estate. The amount of the deposit may be determined by the board of directors from time to time.

69.2 The Building Deposit is fully refundable subject to inspection on completion of the developed property, provided that no damage has been done by the contractor, his agent or sub-contractor to any common property and/ or surrounding developments during the course of construction.

69.3 The building committee, acting reasonably, is entitled to access the site for the full duration of the construction period and may call on the member to undertake additional landscaping prior to any portion of the deposit being refunded to the member.

70 **Medium density properties**

70.1 It is recorded, in order to avoid confusion, that for the purposes of this Memorandum of Incorporation –

70.1.1 Whenever it is necessary to determine the rights and obligations of the owner of a medium density property, these will be determined by reference to the number of units proposed for that property in the town planning scheme, regardless of the number of units actually established and irrespective of the number of structures erected on that property.

70.1.2 The medium density properties, and the number of units proposed for each of those properties, are as follows:

- 70.1.2.1 The village centre at Erf 2155 consisting of 29 sectional title units; and
- 70.1.2.2 Erf 335/13 consisting of 5 sectional title units.
- 70.1.3 The owner of a medium density property is obliged to –
 - 70.1.3.1 Pay a levy;
 - 70.1.3.2 Pay a special levy;
 - 70.1.3.3 Make the contribution towards the Levy Stabilisation Fund referred to in clause 60;
 - 70.1.3.4 Pay the building period penalty referred to in clause 68.2; and
 - 70.1.3.5 Pay a building deposit referred to in clause 69,
 in respect of each of the units proposed for that property in the town planning scheme.

70.2 The owner of a medium density property is entitled to one vote at every general meeting of the company in respect of each of the units proposed for that property in the town planning scheme.

71 Landscaping and gardening

71.1 The company shall, in the discretion of the Board, undertake all landscaping and gardening activities on any residential erf within the Estate.

71.2 No person may undertake any planting, landscaping or gardening activities on any residential erf, or make any alterations to the existing landscaping or vegetation, except with the written consent of the General Manager, which consent shall specify-

- 71.2.1 the area in which landscaping or gardening is permitted;
- 71.2.2 the nature of the landscaping or gardening activities which are permitted; and
- 71.2.3 the plant materials and types which may be used in that area and the locations in which they may be planted.

71.3 The finance committee shall be entitled to categorise gardens by size and to charge a differential gardening levy for landscaping and gardening carried out in gardens within the Estate.

72 **Boundary fences**

No person may erect a boundary fence around a unit without a plan approved by the building committee.

73 **Access by neighbours**

73.1 All members shall be obliged to allow reasonable access to their neighbours for the purpose of maintaining abutting walls and appurtenances.

73.2 Access shall be subject to prior consent being granted by the company and also subject to any rules made by the building committee from time to time.

74 **House rules**

74.1 Subject to clauses 74.2 and 74.3, the board of directors shall have the power to make house rules from time to time as well as the power to substitute, add to, amend or repeal same, for the management, control, administration, use and enjoyment of the Estate, for the purposes of giving proper effect to the provisions of this Memorandum of Incorporation and for any other purpose, including, but not limited to, the following:

74.1.1 The access to and use by members or their households, their guests, and lessees, of the common property (which as defined includes the roads and, open spaces and the sporting and other amenities [this power shall include the right to prohibit, restrict or control the use of the roads and open spaces or any portions thereof as may from time to time be necessary or expedient];

74.1.2 The preservation of the natural environment, vegetation and fauna as appropriate for the Estate which is, in the first instance, a residential estate;

74.1.3 The use of parking areas;

74.1.4 The right to prohibit, restrict or control the keeping of any animals or pets;

- 74.1.5 The use of services, entertainment and recreation areas, amenities and facilities including the right to make a reasonable charge for the use thereof;
- 74.1.6 The control of commercial even;
- 74.1.7 The placing of movable or other objects upon the outside of buildings, including the power to remove any such objects;
- 74.1.8 The keeping of flammable substances;
- 74.1.9 The conduct of any persons within the Estate for the prevention of nuisance of any nature to any member;
- 74.1.10 The use of any residential erf on the Estate including the sale and letting thereof and the accreditation criteria of estate agents and letting agents appointed to sell and let immovable property within the Estate;
- 74.1.11 The accreditation criteria to be adhered to by all architects, designers and building contractors undertaking building or building-related work or services on or in respect of the Estate;
- 74.1.12 The use of golf carts within the Estate;
- 74.1.13 The use of the beach and the lagoon; and
- 74.1.14 The number of visitors permitted to stay overnight per unit.

74.2 The board of directors must publish any house rule made in terms of this clause 74 by way of notice to all members within a reasonable time and any house rule made by the board of directors will take effect on the date specified in the notice.

74.3 Any house rule that takes effect as contemplated in clause 74.2 above will remain binding on an interim basis until put to a vote at the next general meeting of the company and will become permanently binding if ratified by ordinary resolution of the members.

74.4 In order to enforce the house rules, the directors may:

- 74.4.1 Take or cause to be taken such steps as they may consider necessary to remedy a breach of a house rule, and debit the cost to the member concerned (which amount shall then be

deemed to be a debt owing by the member concerned to the company); and/or

74.4.2 Impose a system of fines or other penalties in such amounts as may be determined by the board of directors from time to time.

74.4.3 Take such other action including legal proceedings, as they may deem fit.

74.5 A breach of the house rules by a member's household, or his guests, or lessees, shall be deemed to have been committed by the member himself (but, without prejudice to this principle, the board of directors may in its discretion also take or cause to be taken such steps against the person actually committing the breach).

74.6 The board of directors shall appoint a disciplinary committee to hear representations from any member, or any other person, who disputes that he is guilty of a breach of the house rules.

74.7 The disciplinary committee shall comprise at least one member of the Board of the company and one other person appointed by the board (who need not necessarily be a member of the company). The board shall appoint the chairperson of the disciplinary committee.

74.8 The disciplinary committee shall adjudicate upon the issue at such time and in such manner and according to such procedure [provided that natural justice shall be observed] as the chairperson may direct.

74.9 It shall be the duty of the General Manager, or such other person or body as may be empowered by the directors, to ensure compliance by the members, their guests, lessees, and all other persons within the Estate, with the house rules and to this end, to issue such notices, impose such fines or do such things as may be necessary or requisite.

75 Compliance with the rules; the objects of the company

75.1 Each member undertakes to comply with the house rules, and to ensure that their households, their guests, and lessees also comply.

75.2 Each member shall, to the best of his ability, further the objects and interests of the company.

76 **Legal remedies**

76.1 The rights given to the company in terms of this Memorandum of Incorporation are in addition to, and without prejudice to, any of the rights which the company may have to proceed against a member, either to recover any arrear levies or other monies or to claim specific performance, damages or any other recourse in law.

76.2 A member shall be liable for, and shall pay, all legal costs, including costs on an attorney own client scale, (alternatively the highest permissible scale of legal fees) in full whether or not legal action is actually instituted and collection commission, expenses and all other charges incurred by the company in obtaining the recovery of arrear levies or any other arrear amounts due and owing by a member to the company or in obtaining compliance with the house rules or any provision of this Memorandum of Incorporation.

76.3 If the member disputes the legal costs incurred by the company, then the parties agree that the company may refer the bill of legal costs prepared by the attorney to the Fee Assessment Committee of the Law Society for consideration and determination, and the decision of the Fee Committee shall be final.

77 **Common property**

77.1 No common property owned by the company may be –

77.1.1 Sold;

77.1.2 Let;

77.1.3 Alienated or otherwise disposed of;

77.1.4 Subdivided;

77.1.5 Transferred;

77.1.6 Mortgaged; or

77.1.7 Subjected to any rights, whether registered in the Deeds Registry or not (except for servitudes intended to protect the rights of members and ensure that services are maintained and protected for the benefit of members of the company),

except in circumstances laid down in the Conditions of Establishment of the Estate or with the support a special resolution of the members of the company.

77.2 Nothing in this Memorandum of Incorporation shall be construed as preventing the company from building upon any erven, or common property, owned by it any buildings or other improvements which it may be entitled to erect in terms of the town planning scheme, and as may be approved by the Municipality.

78 Use of common property

The company may, in its discretion, permit the members, subject to the provisions of this Memorandum of Incorporation, to use the common property (unless the members resolve otherwise by special resolution). The directors may from time to time and whenever they deem it necessary, limit, restrict, or suspend such use in relation to any part of the common property, subject to reasonable privacy of members being respected at all times.

79 Amenities committee

79.1 At the board's discretion:

79.2 There shall be established an amenities committee comprising 2 directors nominated by the board of directors and the General Manager.

79.3 The amenities committee shall have control of all sporting, social and recreational facilities and amenities within the Estate, excluding the golf course, and may lay down such fees and rules as it may consider necessary from time to time for the use of any these amenities by members.

79.4 The amenities committee may establish or permit the establishment of clubs or associations of members to control and regulate the use of any sporting, social and recreational facilities, and may delegate to the committees of these clubs or associations any or all of its functions, powers and duties in relation to the particular facility or amenity concerned as it may deem fit.

80 Prince's Grant Golf Club

80.1 Every member of the company must also be a member of the Prince's Grant Golf Club for as long as he or she is the registered owner of a unit within the Estate

and may not resign or otherwise terminate membership of the Golf Club, for as long as he or she is the registered owner of a unit within the Estate.

80.2 As such, a member of the company must comply with the constitution, rules and regulations adopted by the Prince's Grant Golf Club from time to time.

80.3 One full membership shall be attached to each unit or share block.

80.4 Membership to the Prince's Grant Golf Club will not be exclusive to members of the company.

80.5 A golf committee has been established, which shall consist of 5 persons elected by the members of the Golf Club. The members of the golf committee shall elect, from amongst their number –

80.5.1 A Golf Captain; and

80.5.2 A Lady Captain.

80.6 The golf committee shall forward the names of the golf committee members, including the Golf Captain and the Lady Captain to the board for noting.

80.7 The duties of the golf committee are set out in the Golf Club Constitution and are limited to:

80.7.1 To monitor and ensure that the game of golf be played in accordance with the rules approved by the Royal and Ancient Golf Club of St Andrews and such local rules as may be formulated from time to time and with duties specifically defined under R & A Rule 33 – The Committee

80.7.2 Compiling an annual fixtures list;

80.7.3 Approving the annual budget of the golf club (prior to presentation to the board of directors of the company for approval);

80.7.4 Monitoring golf club income and expenditure on a monthly basis;

80.7.5 Promoting the golf course, ensuring discipline on the course and communicate with the members regarding golfing matters;

80.7.6 Advising the General Manager and the board of directors regarding the setting of playing fees; and

80.7.7 Approving sponsorship and temporary course advertising proposals.

80.8 The Committee, through the Captain, shall liaise with the General Manager regarding all golf issues including improvements and changes to the golf course maintenance practices.

80.9 The General Manager or his nominee must attend meetings of the golf committee

81 **Golf Course Custodian's committee**

81.1 There shall be established a golf course custodian's committee.

81.2 The objective of the golf course custodian's committee is to ensure that the integrity of the Estate's golf course is maintained. Without limiting the generality of the foregoing, the custodian's committee shall ensure insofar as reasonably possible that -

81.2.1 The course retains and develops the character of a KwaZulu-Natal coastal golf course, which, in time, must be seen to have been hewn out of the natural coastal bush (in considering what constitutes a natural KwaZulu-Natal coastal course, reference should be made to the Durban Country Club's first 5 holes insofar as they existed in 1994);

81.2.2 The 8th, 9th, 10th and 11th holes have a unique links character about them and these aspects are protected and enhanced, where possible;

81.2.3 The golf course maintains a natural feel to it and that man-made features do not detract from the natural setting of the golf course and its surrounds (and, when a man-made feature is built, that feature must be built in a way to complement the golf course and the Estate);

81.2.4 The golf course is maintained and developed with the objective of being one of the top championship golf courses in KwaZulu-Natal;

81.2.5 It strives to continually upgrade and/or improve the golf course, so as to keep pace with advancements in golf course architecture and modern maintenance methods and standards.

81.3 The Custodian Committee shall consist of

- 81.3.1 The President of the golf club;
- 81.3.2 The Golf Captain
- 81.3.3 The immediate past Golf Club Captain;
- 81.3.4 A lady member of the golf club nominated by the board of directors of the company; and
- 81.3.5 A nominee of the board of the directors of the company, who need not necessarily be a member of the company but who shall be chosen by the board, after consultation with the golf committee, because of his or her special knowledge of golf courses, golf course architecture or golf course maintenance.
- 81.4 The Custodian's committee shall be entitled to co-opt 2 additional members onto the committee, who need not necessarily be members of the company but who shall have a special knowledge of golf courses, golf course architecture or golf course maintenance.
- 81.5 At all times the majority of the committee shall be members of the company.
- 81.6 No changes to the golf course shall be made by the company or the golf committee without first obtaining the approval of the custodian's committee and the board of the directors of the company.
- 81.7 The custodian's committee shall meet not less than twice per annum and shall submit an annual report to the board of directors for consideration.

82 **Operating of businesses on the Estate**

No person may operate a business on any unit within the Estate:

- 82.1 Which is not in accordance with the town planning scheme; and
- 82.2 Without the board of directors of the company having first granted written consent on such conditions and for such period as they may deem fit.
- 82.3 It will be the right of the board at their discretion to revoke this consent.
- 82.4 The board of directors will not unreasonably withhold written consent and will be guided by *inter alia* the considerations as set out in Clause 15 of the Estate Rules.

83 **Service of notices**

83.1 Each member of the company's *domicilium citandi et executandi* which shall not be a post office box or poste restante and shall be the address for service of all legal processes, notices and other documents, shall be their physical unit address within ~~at~~ the Estate. Each member must further provide the company with the following information insofar it exists:

- 83.1.1 Postal address;
- 83.1.2 Email address;
- 83.1.3 Telefax number;
- 83.1.4 Telephone number; and
- 83.1.5 Cell phone number.

83.2 A notice may be served by the company upon any member, either personally, by electronic mail or by sending it via the post in a prepaid registered letter, addressed to such a member's *domicilium citandi et executandi*, provided that copies of all notices shall be sent to the mortgagee [if any] of that member's unit.

83.3 A notice will be presumed, unless the contrary is proved, to have been given:

- 83.3.1 if posted by prepaid registered post, 5 days after the date of posting thereof;
- 83.3.2 if hand delivered during business hours on a business day, on the day of delivery;
- 83.3.3 if sent by telefax, on the first business day following the date of sending; and
- 83.3.4 if sent by electronic mail, on the day of sending.

83.4 It shall be the onus of each member of the company to notify the board of directors in writing of a change in *domicilium citandi et executandi* which shall not be a post office box or poste restante, within 5 days of the member's change in *domicilium*.

84 **Access to the estate**

The directors shall take such measures as are necessary to ensure that the general public, with the exception of members, their guests, lessees, and members of their families and such other persons as the directors may

reasonably permit, are excluded from the estate. No resolution to alter the terms of this clause shall be taken unless simultaneously with the taking of such resolution, a resolution is taken to widen and reconstruct the roads to such specification as may comply with the standard requirements of the Municipality.

85 Estate agents

85.1 Only estate agents whose names appear on a list of accredited estate agents published by the company from time to time may sell units in the Estate.

85.2 Estate agents may apply to become approved to sell units in the Estate, subject to the successful completion of the company's induction course and such other requirements as may be determined by the company from time to time.

85.3 Every approved estate agent shall be obliged to pay to the company an annual accreditation fee, which fee shall be determined by the finance committee and which fee shall be divided into a fixed annual fee as determined from time to time and an amount equal to 0.25% of the purchase price on any unit sold by that agent.

86 "For sale" signs

No "For Sale" signs or "Sold" signs shall be erected on units without the written consent of the company.

87 Disclaimer

87.1 The company shall not –

87.1.1 be liable for any injury or death to any person, damage to or loss of any property, moveable or immovable, to whomsoever it may belong, occurring or suffered on the Estate regardless of the cause thereof; or

87.1.2 be responsible for any theft of property, movable or immovable, occurring on the Estate.

Members shall not, under any circumstances, have any claim or right of action whatsoever against the company for injury, death, damages, loss or otherwise, or be entitled to withhold or defer payment of any amount due by them for any reason whatsoever.

87.2 The company, its directors, employees and agents shall not be liable to any member or any of the member's lessees, or their respective employees, agents, invitees or customers or any member of the public dealing with the member or any lessee for any injury or death or loss or damage of any description which the member or any such other person aforesaid may suffer or sustain whether directly or indirectly on or about the Estate, regardless of the cause thereof.

88 Winding up

88.1 No resolution for the winding-up or dissolution of the company and the transfer of the company's assets shall be taken unless –

88.1.1 The company has made adequate provision for the rights of members to obtain access to their units; and

88.1.2 The rights of members to exclusive use of any areas in the Estate have been safeguarded, if necessary, by registration of servitudes, at the cost of the member concerned if the member so requires.

88.2 If the company is wound up, deregistered or dissolved, the assets of the company remaining after the satisfaction of all its liabilities shall be given or transferred to some other association or institution having objects similar to its main object, to be determined by the members of the company at or before the time of its dissolution or, failing such determination, by the court.

89 Access ways

Notwithstanding that units may be held either individually or in undivided shares by members, members shall be obliged at all times to allow any persons, lawfully on the Estate, access over any formed or paved access way, including driveways, parking areas and pathways.

90 Access by the company

Every member shall be obliged to allow the company or its service providers access to any unit at all reasonable times and on reasonable notice for purposes of enabling the company to carry out its obligations or exercise its rights in terms of this Memorandum of Incorporation.

91 **Body corporates**

91.1 Notwithstanding that members hold title to their units individually, and notwithstanding that in those cases where the units concerned are held under the Sectional Titles Act, the body corporate as defined in that Act is accorded certain powers and duties, it is recorded that the development of the Estate is of a homogeneous nature and that the company shall be vested with the overall control of all matters affecting the Estate. To this end the members agree: -

91.1.1 To do all in their power to procure that the body corporate in each sectional title development, shall delegate such of its powers and duties to the company as the company may require be delegated to the company;

91.1.2 In the event of any association of members being formed within the township, specifically for owners of certain erven or certain classes of members, the members forming such association hereby agree to do all in their power to procure that such of the powers and duties of any such association as the company may require to be delegated to it are delegated to this company; and

91.1.3 The company may in turn delegate the powers and duties delegated to it in terms of clauses 91.1.1 and 91.1.2 to such other person or company as it may deem fit.

92 **Delegation**

The powers of the committees established in terms of this Memorandum of Incorporation, and the powers of the board of directors, and the powers of the company generally may be delegated to the General Manager to such extent and upon such conditions as the directors may determine from time to time, and such delegations may from time to time be revoked either in whole or in part or the conditions of such delegations may be changed as the directors may from time to time deem fit.

93 **Fidelity insurance**

The General Manager shall be obliged to take out fidelity insurance, to be paid for by the company and to the satisfaction of the directors for all moneys held by the General Manager on behalf of the company from time to time.